

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 19901
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On October 12, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 1997 through 2004 in the total amount of \$53,546.

The taxpayer filed a timely protest. He did not submit additional information or request an informal conference. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

When the Bureau could find no record of the taxpayer's 1997 through 2004 Idaho individual income tax returns, the taxpayer was sent a letter advising him of the missing returns and asking him for an explanation. The taxpayer did not respond.

[Redacted].

Idaho Code § 63-3045 (1)(a) states:

**63-3045. Notice of redetermination or deficiency --**  
**Interest.** (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer

may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayer did not file his state income tax returns, the Bureau prepared provisional returns on his behalf and sent him a deficiency notice. The taxpayer answered the notice with a letter stating he was working with the IRS and a tax accountant to file the returns. He said he would provide the state with returns “in a timely fashion once my accountant finalize [sic] them.”

The Bureau sent the taxpayer a letter to acknowledge his protest. He was allowed additional time. However, after sending another letter without a response from him, the taxpayer’s file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. He did not answer a letter advising him of his right to submit additional information or request an informal conference.

The Idaho resident income tax returns the Bureau prepared on behalf of the taxpayer were based on income information received from [Redacted] the records retained by the Tax Commission.

Although the taxpayer advised in his letter of protest that he is now working for wages, Tax Commission’s records show the taxpayer was self-employed and had an active withholding permit during the years in question. He has not furnished the Tax Commission with an individual income tax return for any of the years in question.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the Notice of Deficiency Determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer has provided nothing that would dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for tax years 1997 through 2004. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated October 12, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$ 652	\$ 163	\$ 402	\$ 1,217
1998	1,113	278	600	1,991
1999	2,701	675	1,259	4,635
2000	1,810	453	699	2,962
2001	3,750	938	1,159	5,847
2002	5,772	1,443	1,413	8,628
2003	8,894	2,224	1,707	12,825
2004	11,992	2,998	1,582	<u>16,572</u>
			TOTAL	<u>\$54,677</u>

Interest is computed through June 1, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2007.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 2007, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]  
[REDACTED]

Receipt No.

\_\_\_\_\_